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2012 MAY 30 P 4:32

CORP COMMISSION  
DOCKET CONTROL

May 30, 2012

Docket Control  
Arizona Corporation Commission  
1200 W. Washington  
Phoenix, AZ 85007Arizona Corporation Commission  
DOCKETED

MAY 30 2012

DOCKETED BY

RE: Arizona Public Service Company's Quarterly Financial Reporting  
Docket No. E-01345A-08-0172

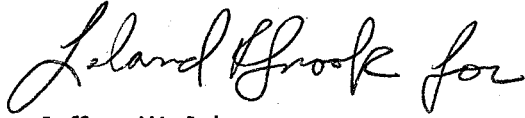
Pursuant to Commission Decision No. 71448, Section 13.4(b) "Financial Reporting," Arizona Public Service Company ("APS") was ordered to provide the following:

- i. Information regarding the Company's earned return on equity ("ROE") for the preceding 12 months, including supporting calculation detail and identification of the major factors impacting that ROE. Such reports shall be filed within 60 days following the end of each quarter throughout the Plan Term;
- ii. Information regarding the Company's Funds from Operations ("FFO") to Debt ratio, FFO/Interest ratio, and Total Debt/Capital ratio for the preceding 12 months, including supporting calculation detail and identification of the major factors impacting those metrics. Such reports shall be filed within 60 days following the end of each quarter throughout the Plan Term.
- iii. Information regarding Pinnacle West Capital Corporation's ("PNW") stock price, net book value and the relationship of PNW's stock price to net book value. Such reports shall be filed within 60 days following the end of each quarter throughout the Plan Term."

Attached is the information in compliance with the quarterly financial reporting requirement. Also attached are the confidential supporting calculations that will be provided to parties who have an executed Protective Agreement in this matter.

If you have any questions regarding this information, please contact Zac Fryer at (602)250-4167.

Sincerely,

A handwritten signature in cursive script that reads "Jeffrey W. Johnson".

Jeffrey W. Johnson

JJ/cd

cc: Brian Bozzo  
Steve Olea  
Terri Ford  
Barbara Keene  
Parties of Record

Copies of the foregoing delivered  
This 30<sup>th</sup> day of May, 2012 to:

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**APS's ROE, FFO/Debt, FFO/Interest and Total Debt/Capital Ratio  
Pursuant to Sections 13.4(b)(i) & (ii) of the Settlement  
March 31, 2012**

ROE:	8.9%
FFO/Debt Ratio:	20.9%
FFO/Interest Ratio:	4.8
Total Debt/Capital Ratio:	55.7%

**Pinnacle West Capital Corporation Stock Price and Book Value  
Pursuant to Section 13.4(b)(iii) of the Settlement  
March 31, 2012**

Stock Price per Share: \$47.90

Book Value per Share: \$34.24

Market-to-Book Value ratio: 1.40

## (\$ in millions)

17 Change in APS Return on 13 point average common equity for TME March 2012 compared to TME December 2011

**Pages 2-4 Intentionally Omitted - Contains Confidential Information**